BUDGET 2005

Ministry of
Forests

SERVICE PLAN
2005/06 – 2007/08

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Ministry of Forests, contact:

PO BOX 9515
STN PROV GOVT
VICTORIA BC
V8W 9C2

or visit our Website at
http://www.gov.bc.ca/for

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Message from the Minister and Accountability Statement

In 2003, after extensive consultation and careful planning, this government unveiled the Forestry Revitalization Plan — comprehensive reforms to revitalize British Columbia's forest sector. In 2003/2004 we brought in the legislative changes to make the new policies work on the ground; in 2004/2005 we started implementation.

Already we are seeing positive change:

- New and expanded community forest opportunities for 15 communities since August 2004.
- Market-based pricing on the Coast, resulting in thousands returning to work.
- Award of first community salvage licence.
- *BC Forestry Revitalization Trust Fund* — administered by a board established to assist workers and contractors affected by timber reallocation.
- Implementation of all Firestorm 2003 report recommendations.
- Forestry agreements with more than 70 First Nations.

We will continue our two-track strategy of negotiation and litigation as we pursue a resolution to the softwood lumber dispute. We will also continue to support industry in developing new foreign markets through creative, "outside-the-box" initiatives such as Dream Home China.

This year's service plan outlines a continuation of these and other strategies that have already begun to revitalize B.C.'s forest sector. This plan will guide us as we work towards a strong, competitive and environmentally sustainable forest sector in British Columbia.

The 2005/06 - 2007/08 Ministry of Forests Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. All material fiscal assumptions and policy decisions as of January 31, 2005 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.

Honourable Michael de Jong
Minister of Forests

February 4, 2005

Message from the Minister of State for Forestry Operations and Accountability Statement

In January 2004, I was sworn into office as Minister of State for Forestry Operations. In creating this position, Premier Gordon Campbell recognized not only the enormous contribution forestry makes to the wealth of our Province, but also the need to support the implementation of the Forestry Revitalization Plan as it continues to restore health and vigour to our forest sector.

In 2004/05, we launched the expansion of B.C.'s small tenures program. Since August 2004, we have provided community forest opportunities for 15 communities — and plan to create more in the coming year. In September, we announced the first new community salvage licence, a new form of tenure designed to help deliver small-scale timber salvage to interested communities. As well, we've introduced a streamlined ministry process for small-scale salvagers to access timber salvage and thereby are increasing the number of sales that can be issued.

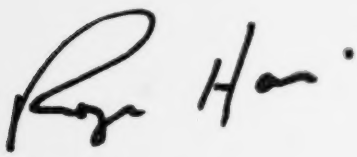
In the past year, we also updated our mountain pine beetle action plan in response to changing conditions. This plan is designed to mitigate the impact of the bark beetle infestation by recovering value of timber already affected, encouraging alternative fibre uses and new markets for beetle-killed wood and assisting economic diversification in affected communities. A companion plan for reforesting areas impacted by bark beetle and wildfires is also an important initiative.

Through new community forest opportunities, the mountain pine beetle action plan, community salvage licences and forestry agreements with First Nations, government is creating a climate in which each region can capitalize on its strengths. I look forward to continuing to serve the people of British Columbia as we work to create jobs and wealth for its citizens, while showcasing our world-class forest management practices.

I am the Minister of State for Forestry Operations and under the *Balanced Budget and Ministerial Accountability Act*, I am accountable for achieving the following results for 2005/06:

- Implement the strategy to increase growth of the value-added sector and provide a progress report to the Cabinet Committee on Environment and Resource Development.
- Implement the strategy to manage the spread of mountain pine beetle and increase utilization of beetle-damaged timber and provide a progress report to the Cabinet Committee on Environment and Resource Development.

- Develop an action plan for the reforestation of areas lost to wildfire and forest health infestations and present it to the Cabinet Committee on Environment and Resource Development.



Honourable Roger Harris
Minister of State for Forestry Operations

February 4, 2005

Ministry Overview and Core Business Areas

Since its establishment in 1912, the Ministry of Forests (MoF) has been mandated to protect and manage the public's forest and range resources. As stewards of these resources, the ministry has the responsibility to ensure that their use to generate economic benefits is balanced with their long-term viability. In support of this, the ministry delivers programs and services through seven Core Business Areas. Information on the resources and FTEs associated with each Core Business is located in the Resource Summary on the following page.

1. **Forest Protection** — Focuses on protecting lives, forest resources and investments in the forest land-base from wildfire. Also included is the detection and management of insect pest outbreaks, such as the Mountain Pine Beetle, on areas under the responsibility of the province as well as outbreaks of local significance.

2. **Stewardship of Forest Resources** — Focuses on ensuring sound environmental stewardship of forest and range resources through the regulation of forest and range practices, timber supply planning and allowable annual cut (AAC) determination, range management, control of invasive alien plant species, recreation management, applied research, forest gene resource management and tree improvement.

3. **Compliance and Enforcement** — Focuses on upholding BC's laws, within the MoF's jurisdiction, that protect the province's forest and range resources. Primary activities include enforcing environmental standards and revenue policies and combating "forest crimes" (theft, arson).

4. **Pricing and Selling Timber** — Focuses on promoting a strong forest economy and a competitive forest sector through a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost effective road infrastructure to access timber. Activities to include timber tenure administration, timber pricing, market access activities, maintaining a forest road infrastructure and First Nations consultation.

5. **BC Timber Sales** — Focuses on providing British Columbians with benefits from the commercial use of public forests. Primary functions include developing Crown timber for auction, creating and maintaining a BC Timber Sales road and bridge infrastructure, and achievement of reforestation obligations.

6. **Executive and Support Services** — Focuses on corporate governance and service delivery activities in support of all ministry functions. Activities are structured within key frameworks for policy and legislation development, performance management, and internal audit and evaluation. Support service activities include finance and

administration, human resources, central infrastructure management, Freedom-of-Information, records management, continuous improvement and the application of information technology.

7. **Forest Investment** — Focuses on providing funding to support sustainable forest management practices, improve the public forest asset base, and promote greater returns from the utilization of public timber. Forest Investments are delivered through seven programs administered by government or through third-party administrators. Forest Investment Account (FIA) programs provide funding to a variety of recipients including tenure holders, forest sector associations, researchers, manufacturers, and government agencies.

Resource Summary

Core Business Areas	2004/05 Restated Estimates[1]	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Operating Expenses ($000)				
Forest Protection	96,638	109,038	101,038	101,938
Stewardship of Forest Resources	41,078	89,578	40,478	86,378
Compliance and Enforcement	25,609	25,609	25,609	25,609
Forest Investment	85,000	89,000	121,000	100,000
Pricing and Selling the Timber	96,155	117,155	119,455	119,455
Executive and Support Services	47,988	47,988	47,988	47,988
BC Timber Sales	131,800	166,108	229,377	229,952
Total	**524,268**	**644,476**	**684,945**	**711,320**
Full-time Equivalents (Direct FTEs)				
Forest Protection	626	684	684	684
Stewardship of Forest Resources	367	383	383	383
Compliance and Enforcement	292	292	292	292
Forest Investment	4	57	57	57
Pricing and Selling the Timber	663	733	760	760
Executive and Support Services	461	522	522	522
BC Timber Sales	529	574	567	567
Total	**2,942**	**3,245**	**3,265**	**3,265**

[1] Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the *2005/06 Estimates*.

Core Business Areas	2004/05 Restated Estimates[1]	2005/06 Estimates	2006/07 Plan	2007/08 Plan
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Forest Protection	2,430	3,360	2,754	2,664
Stewardship of Forest Resources	2,498	6,323	4,296	3,968
Compliance and Enforcement	1,911	1,911	1,720	1,720
Executive and Support Services	1,383	7,698	7,288	6,298
Pricing and Selling the Timber	3,848	3,848	3,463	3,463
BC Timber Sales	990	990	891	891
Total	**13,060**	**24,130**	**20,412**	**19,004**
Other Financing Transactions ($000)				
BCTS — Disbursement	72,491	66,392	623	48
Total Disbursements	**72,491**	**66,392**	**623**	**48**

[1] Amounts have been restated, for comparative purposes only, to be consistent with Schedule A of the *2005/06 Estimates*.

Vision, Mission and Values

Vision

Diverse and sustainable forest and range values for B.C.

Mission

To protect, manage and conserve forest and range values through a high performing organization.

People

People are valued for their contribution and dedication to the Forest Service, its mission and vision.

Values

Our Values:

Integrity: We are open, honest and fair.

Accountable: We are responsible for our own decisions and actions.

Innovative: We encourage and support each other to create new and better ways to do our business.

Respectful:
We show respect by listening to and recognizing a diversity of values and interests.
We work with each other in a spirit of trust, mutual respect and support.

Goals, Objectives, Strategies and Results

This section presents the ministry's goals and outlines how specific objectives, strategies, performance measures and targets within seven core business areas that are helping to achieve these goals. The ministry also uses key outcome indicators to track progress towards its goals. For a definition of this indicator, please refer to the Glossary. The diagram below indicates the linkage between government strategic goals and the ministry's mission, goals, indicators, objectives and measures.

Government Strategic Goals

Safe, healthy communities and a sustainable environment.
A strong and vibrant provincial economy.

Ministry Mission

To protect, manage and conserve forest and range values through a high performing organization.

Ministry Goals	Ministry Objectives	Performance Measure (PM) / Key Outcome Indicator (KOI)
1. Sustainable Forest Resources.	1. Prevent and manage wildfire and pests to ensure that forest management objectives are met.	Per cent of wildfire contained at <4 ha (PM). Per cent of Crown forest aerially surveyed to monitor forest health (PM). Per cent of bark beetle management units (BMU) treated by MOF that meet targets (PM). Per cent of high priority areas treated to manage defoliator outbreaks (PM).
	2. Forest resources are managed and improved on a sustainable basis.	Per cent of TSAs and TFLs for which an AAC has been determined in the last 5 years (PM). Volume gain of timber available for harvest in 65 years from all tree improvement activities (cubic metres/year) (PM).
	3. Provincial forest resources are managed for sustainable benefits.	Area of provincial forestland in millions of hectares (KOI). Ratio of area reforested to area harvested or lost to fire and pest (KOI). Total area of Crown forest lost to wildire annually (KOI). Per cent achievement of ministry free growing obligations (PM).
	4. Monitor, evaluate and continuously improve forest management.	Per cent of annual harvest area with soil loss due to the establishment of permanent access roads (KOI). Status of the State of the Forest Report (PM). Per cent of FRPA values with measurable indicators for effectiveness evaluations (PM).
	5. Protect, manage and improve range and forest resources for multiple values.	Area restored to open forest and grassland (ha) (PM). Per cent of available Crown range under a form of agreement (PM).
	6. Ensure MOF recreation sites and trails provide recreation opportunities.	Percentage of Forest Service Recreation sites or trails receiving routine maintenance (PM).
	7. Promote compliance and ensure statutory obligations are enforced.	Per cent of forest operator's compliance with statutory requirements that regulate forest practices (KOI). Per cent of high and very high priority sites inspected for forest and range practices and compliance (PM). Per cent of high and very high priority sites inspected for pricing and revenue compliance (PM).

Government Strategic Goals

Safe, healthy communities and a sustainable environment.
A strong and vibrant provincial economy.

Ministry Mission

To protect, manage and conserve forest and range values through a high performing organization.

Ministry Goals	Ministry Objectives	Performance Measure (PM) / Key Outcome Indicator (KOI)
2. Sustainable Forest Benefits.	1. Maintain access to markets for BC forest products.	BC's share of the US softwood lumber market (KOI and PM). BC's share of Japan softwood lumber imports (KOI). Increase in wood product sales to Taiwan, China and Korea (KOI). Percentage increase in forestland certified by major forest certification processes (KOI).
	2. Ensure that the public receives fair value for the use of its forest and range resources.	Crown forest gross revenue (KOI). Crown gross revenue from B.C. Timber Sales (KOI). Status of the implementation of the market-based pricing system (PM).
	3. Provide opportunities to generate wealth from forest resources.	Per cent of Timber Supply Area AAC under a form of tenure (PM).
	4. Provide a reliable and environmentally sound forest road network for provincial forests.	Per cent of key engineering activities substantially achieved (PM). Per cent of FSR kms maintained by the District Manager open for public access (PM). Per cent reduction or increase to the Forest Service road network (PM).
	5. Increase FN opportunities in the forest sector while respecting FN interests.	Total number of accommodation agreements offered to and signed with First Nations (PM).
	6. Provide a credible reference point for timber costs and pricing.	Per cent of total timber volume available, auctioned by BCTS (PM).
	7. Optimize BCTS net revenue to the province.	Crown net revenue from BCTS (PM). Average cost per cubic metre of volume developed by BCTS (PM).
	8. Provide an open and competitive timber market.	Volume offered for sale (Million m^3) by BCTS (PM).
3. Effective and Responsive Forest Manager.	1. Ensure a responsive and effective management framework and infrastructure.	Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests (KOI). Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests (KOI).
	2. To be a high performing and learning organization.	
	3. Sound governance and effective delivery of forest investments.	Third-party administrator performance targets achieved (KOI). Per cent of FIA performance measure targets substantially achieved (PM).

Goal 1: *Sustainable Forest Resources.*

As stewards of British Columbia's forest and range resources, the Ministry of Forests (MoF) has the responsibility to ensure that the use of these resources to generate economic benefits is balanced with their long-term viability. The ministry will ensure that appropriate forest and range management practices are used to maintain and improve the long-term sustainability and health of the province's forest, range and recreation resources.
The ministry will also ensure that incremental investments in the forest resource are effective through the Forest Investment Account. The following key outcome indicators have been identified as indicating progress towards achievement of this goal. Please refer to the Glossary for additional information on these key outcomes and indicators.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Estimated Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
A sustainable forest land base.	Area of provincial forestland in millions of hectares.	47.7 M	47.7 M	47.7 M	47.7 M	47.7 M
Sustainable timber productivity.	Ratio of area reforested to area harvested or lost to fire and pest. (unsalvageable losses)*	0.82	0.82	0.80	0.69	0.59
	Total area of Crown forest lost to wildfire annually. (in hectares)*	50,615	71,595	< 85,000	< 85,000	< 83,000
Healthy forests.	Per cent of annual harvest area with soil loss due to establishment of permanent access roads.*	4.4%	< 5%	< 5%	< 5%	< 5%
Effective forest and range protection and management.	Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices.	92.1%	> 94%	> 94%	> 94%	> 94%

*Based on a 5-year rolling average

Core Business Area: *Forest Protection.*

Objective 1: *Prevent and manage wildfire and pests to ensure that forest management objectives are met.*

This objective reflects the ministry's intent to protect forest and range resources and investments by minimizing losses and mitigating future risks from wildfire and forest health infestations. Key strategies include: ensuring fire preparedness and rapid effective initial attack by continuing to implement the new *Wildfire Act* including streamlined regulations; continuing to renegotiate agreements with utilities and develop new agreements with other sectors to increase cost-recovery for fire protection activities; responding to the results of the internal and external inquiries into the 2003 and 2004 fire seasons; early detection and treatment of insect infestations; and monitoring and evaluating forest health status and to implement best management practices in support of the timber supply review (TSR) and the protection of *Forest and Range Practice Act* (FRPA) values.

Performance Measures:

Per cent of wildfire contained at less than four hectares: This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned, accidental or unwanted (i.e., has potential to cause damage to or loss of timber, range or public resources). If containment is kept to under 4 hectares, damage and costs for fire suppression are kept to a minimum. The base for this measure was 93 per cent in 2002/03. Data is from the ministry's Historical Fires Statistics Database.

Per cent of Crown forest aerially surveyed to monitor forest health: Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The findings of these surveys are posted on the ministry website for access by the public, consultants, licensees and ministry staff. The data is used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys. Data is collected from the Regions through aerial overview surveys.

Per cent of bark beetle management units (BMU) — including parks and protected areas — treated by MOF that meet treatment targets: The exponential expansion of beetle infestation continues. High priority sites which have not been overtaken by the bark beetle present an opportunity to stop or reduce the rate of spread by conducting detailed aerial and ground detection, treating through targeted harvesting, felling and burning, setting up pheromone trap trees, or other methods. By agreement with MWLAP and MSRM, MoF is responsible for treatments in parks and protected areas. The base for this measure was 89 per cent in 2002/03. Targets are established through the development of annual beetle strategies. (Data source: aerial and ground surveys and treatment records).

Per cent of high priority areas treated to manage defoliator outbreaks: Other defoliators include western spruce budworm, western hemlock looper and all others. The baseline was established in 2003/04 as 100 per cent for Gypsy Moth and 99 per cent for all other defoliators. The reduction in target for other defoliators from 99 per cent to 50 per cent in 2004/05 reflects the expected decrease in achievement based on a static budget and increasing infestations. Based on revised projections, the target for other defoliators will rebound to 100%, provided funding levels are unaltered next year and population trends remain constant. (Data source: aerial and ground surveys and treatment records).

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of wildfire contained at less than four hectares.	91.8%	92%	92%	92%	92%
Per cent of Crown forest aerially surveyed to monitor forest health.	100%	100%	100%	100%	100%
Per cent of BMUs treated that meet targets.	88%	52%	80%	80%	80%
Per cent of high priority areas treated to manage defoliator outbreaks.	Gypsy Moth 100% All others 99%	Gypsy Moth 100% Other defoliators 54%	Gypsy Moth 100% Other defoliators 100%	Gypsy Moth 100% Other defoliators 100%	Gypsy Moth 100% Other defoliators 100%

Core Business Area: *Stewardship of Forest Resources.*

Objective 2: *Ensure that the principles of sustainability guide the management of and improvements to the provincial forest resources.*

This objective reflects the ministry's goal of sustainable forest resources. Key strategies include: continuing to jointly evaluate, improve, and manage the forest policy framework based on best available science; applying research and forest analysis to policy development and statutory decision-making; participating in the provincial Tree Improvement Strategy; supporting transfer of specified timber supply review activities to Defined Forest Area Management licensees; developing and delivering training programs; and implementing processes that ensure consistent and science based evaluations of plans submitted for approval.

Performance Measures:

Per cent of TSAs and TFLs for which an AAC has been determined in the last 5 years: This is a new measure, replacing "per cent of timber supply allowable annual

cut determinations achieved by their scheduled deadline." The *Forest Act* requires that the provincial chief forester determine allowable annual cuts (AACs) for each Tree Farm Licence (TFL) and Timber Supply Area (TSA) at least once every 5 years. For the purposes of this measure, a postponement by the Chief Forester under the *Forest Act*, in cases where an AAC is not likely to be changed significantly, is considered a determination. This measure would provide a gauge of the currency of AACs in the province and serve as a rolling measure of the extent to which the timber supply review program is on schedule. (Data source: internal records).

Volume gain of timber available for harvest in 65 years from all ministry tree improvement activities: Future volume gain is calculated from an independent provincial growth and yield model driven by genetic worth and quantity of improved seed actually deployed. The baseline projected volume gain was 1.67 million cubic metres per year in 2002/03.

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of TSAs and TFLs for which an AAC has been determined in the last 5 years.	N/A	New measure introduced for 2005/06	100%	100%	100%
Volume gain of timber available for harvest in 65 years from tree improvement activities.	Measure discontinued during 2003/04	2.08 M m^3/year	2.30 M m^3/year	2.42 M m^3/year	2.47 M m^3/year

Objective 3: *Deliver ministry programs required to manage provincial forest resources for sustainable benefits.*

The ministry is responsible for several key programs that help deliver the stewardship mandate of government. Key strategies include: involvement and collaboration with external agencies and multi-stakeholder committees to assist in achieving ministry objectives; developing strategic plans to support full implementation of programs such as the invasive plants program, recreation, karst and visual landscape inventories, comprehensive research through partnerships and other innovative delivery mechanisms and evaluating areas denuded by fire and pests to determine reforestation needs; and supporting ministry reforestation obligations.

Funding has been increased for the next three years to begin a long-term reforestation program on Provincial Crown lands. This program will ensure stewardship of the forestland base by reforesting productive areas impacted by fire or mountain pine beetle infestation over the past few years. The results of this program are expected to be observed in the

outcome indicator "ratio of area reforested to area harvested or lost to fire and pest" (page 14), about five to seven years after reforestation.

Performance Measure:

Per cent achievement of ministry free growing obligations: This includes the ministry's reforestation obligations under the Forest Stand Management Fund and licence to cut. This is a new measure, replacing "Per cent achievement of ministry free growing obligations under the Forest Stand Management Fund". This new measure more accurately represents the ministry's responsibility for reforestation resulting from sources such as Non Replaceable Forest Licences and Licences to Cut. Data is gathered from decisions made in the Forest Districts.

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent achievement of ministry free growing obligations.	N/A	New measure introduced for 2005/06	99%	99%	99%

Objective 4: *Monitor, evaluate, and continuously improve forest management.*

Under new results-based legislation, evaluating the outcomes of forest practices in the field will be a key indicator of how effective the legislation is at protecting forest resources. Key strategies include: developing and implementing a coordinated and comprehensive effectiveness evaluation program related to FRPA forest values; developing and implementing a regional/district level monitoring program related to implementation of operational plans; and regularly evaluating and publishing information on the state of the forests.

Performance Measures:

Status of the "State of the Forest (SOF) Report": This report will provide a periodic assessment of the state of British Columbia forests, aligning with national criteria and indicators of sustainable forest management. This report will be designed for publishing on the internet only, in three phases, culminating in a 24-indicator report. The first phase, with six indicators (Ecosystem diversity, Protected forests, Timber harvest, First Nations involvement, Law and Certification) was delayed one year and will now be published with the second one year phase including six additional indicators (Ecosystem dynamics, Species diversity, Genetic diversity, Ownership and management, Silviculture, and Jobs and communities) during 2004/05. The final phase, including the remaining 12 indicators, is slated for publication in 2005/06. (Data source: internal records).

Per cent of FRPA values with measurable indicators for effectiveness evaluations: This is a new measure replacing "Number of completed effectiveness evaluations of the legislation". Effectiveness evaluations are used to determine whether policies, plans or practices under FRPA are resulting in the desired objectives being met. These field reviews are necessary to achieve ongoing improvements to the ministry's policy and legislation framework. (Data source: internal records).

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Status of the SOF Report.	SOF Report with 6 indicators, delayed	SOF Report with 12 indicators	SOF Report with 24 indicators (full report)	Update and refine the 24 indicators	Update and refine the 24 indicators
Per cent of FRPA values with measurable indicators for evaluations.	N/A	New measure introduced for 2005/06	50%	75%	100%

Objective 5: *Protect, manage and improve range and forest resources for multiple values.*

In 2004/05 this objective focuses on protecting Crown range use through administration of rights for its use through the *Range Act* and agreements under FRPA. Key strategies include: allocating, administering and managing range use; evaluating rangeland health and effectiveness of range management practices; restoring rangeland ecosystems degraded by forest ingrowth, forest encroachment and invasive plants; and promoting an understanding of rangeland management for multiple values.

Performance Measures:

Area restored to open forest and grassland (hectares): A measure of the ministry's effectiveness in restoring rangelands that have been degraded by invasive plants or in-growth of trees. Areas are restored through treatments such as partial cutting, controlled burning and biological or chemical control of invasive species and are calculated as the area in hectares restored. (Data source for this measure is the Districts that are carrying out restoration treatments).

Per cent of available Crown range under a form of agreement: Measures the effectiveness of the ministry's allocation and administration of range available for grazing or hay cutting and is based upon possible and actual range agreement areas. In the past this measure was based on animal unit months, but the change to range agreement areas makes it more representative of the agreement tenuring process. Data is collected from the current records of Forest District offices.

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Area restored to open forest and grassland. (hectares)	N/A	3,273	3,585	3,585	3,585
Per cent of available Crown range under a form of agreement.	95%	94%	90%	95%	95%

Objective 6: ***Ensure that Ministry of Forests recreation sites and trails provide opportunities for a safe, sanitary, socially acceptable and environmentally sound recreation experience.***

This objective reflects the intent to manage Ministry of Forests recreation sites and trails for public benefit. Key strategies include:

- Developing policies and standards for maintenance, use, and fee structures that support legislation and in consideration of client needs;
- Provide strategic direction to the program to ensure high risk and high use sites and trails are managed according to standards;
- Working with agreement holders to ensure high use recreation sites and trails receive routine maintenance;
- Inspecting all sites and trails on a scheduled basis;
- Manage sites and trails without partnership agreements as user maintained; and
- Communicating with and providing information to the public concerning sites and trails.

Performance Measures:

Percentage of Forest Service Recreation sites or trails receiving routine maintenance: This new measure replaces the 2004/05 measure that identified the total number of recreation sites and trails available for use in order to clarify the level of maintenance at recreation sites and trails. Routine maintenance consists of an annual inspection and servicing (hazard tree abatement and cleaning/repairing structures) during the season of use dependent on amount and type of use. It is determined by dividing the number of sites or trails receiving routine maintenance by the total number of forest service recreation sites or trails in the province. The remaining recreation sites and trails will continue to be open for the public and will be maintained at a minimum level to manage public health and safety risks. The ministry's intent is to increase the number of sites and trails that are receiving routine maintenance. Data is collected from the recreation site and trail database.

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of FS Recreation sites receiving routine maintenance.	40% (451/1,138)*	45% (566/1,257)	50% (620/1,240)	60% (744/1,240)	70% (868/1,240)
Per cent of FS Recreation trails receiving routine maintenance.	20% (103/528)	25% (147/591)	25% (144/575)	35% (201/575)	50% (288/575)

*Differences in the total number of recreation sites and trails is due to: fewer recreation sites and trails being decommissioned; improved records of the number of sites and trails; and revisions to the definition of a recreation site and trail.

Core Business Area: *Compliance and Enforcement (C&E).*

Objective 7: *Promote compliance and ensure statutory obligations are enforced.*

Protecting the province's forest and range resources is central to fulfilling the Forest Service's mandate by upholding the law. Key strategies include: implementing a new compliance and enforcement regime for FRPA and a new compliance and enforcement regime for pricing and revenue. In 2005/06 this will include: staff training on FRPA and *Forest Act* changes and updated C&E training; implementing Quality Assurance principles and procedures; monitoring the use of the Special Provincial Constable (SPC) application by the Solicitor General; and assessing FRPA implementation and new *Forest Act* provisions to determine C&E's readiness for increasing resource emphasis on revenue and forest crimes.

Performance Measure:

Per cent of high and very high priority sites inspected for compliance: Site visits are targeted to priority sites where environmental, social and/or economic values have been identified as being at high risk. Data is from the Compliance Information Management System.

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of priority sites inspected for forest and range practices compliance.	82.6%	92%	85%	85%	85%
Per cent of priority sites inspected for pricing and revenue compliance.	83%	76%	85%	85%	85%

Core Business Area: *Forest Investment Account.*

Achievement of FIA objectives and strategies are accomplished through program activities carried out by licensees under the coordination of third party administrators. Assessment of outcomes and outputs is captured through reports generated by the third party administrators. These reports can be found at:

- http://www.fialicensees.com
- http://www.for.gov.bc.ca/hcp/fia/small_tenures.htm and
- http://www.bcfsp.com/Login/login.asp

Objective 8: *Actively foster sustainable management and improve the public forest asset base.*

Key strategies include: acquiring better information about forest resources; foster comprehensive strategic land-use planning; facilitate science-based utilization of the resource; support the feasibility of third-party certification; fund reforestation of areas denuded naturally, or by harvesting before 1987; reclaim and enhance site productivity; and restore damaged ecosystems.

Goal 2: *Sustainable Forest Benefits.*

Forestry generates substantial revenues to the provincial government yielding a significant net benefit to the broader public interest and remains a major contributor to B.C.'s current and future economic health. Sustainable forest benefits rely on a strong forest economy and a globally competitive forest sector, which the ministry supports through its forest revitalization policies. The ministry also recognizes the interests of First Nations in accessing forest benefits now and in the future. The following key outcomes and indicators (further described in the Glossary) have been identified as indicating progress towards achievement of this goal.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Estimated Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
Revenue to the Crown.	Crown forest gross revenue ($ billions).	$0.987 B	$1.278 B	$1.049 B	$1.039 B	$1.039 B
	Crown gross revenue from B.C. Timber Sales ($ millions).	$185.7 M	$263.1 M	$288.2 M	$335.8 M	$346.1 M
Diversification of B.C. export markets.	B.C.'s share of the US softwood lumber market.	18.1%	18%	18%	18%	18%
	B.C.'s share of Japan softwood lumber imports.	39.7%	40%	40%	40%	40%
	Increase in wood product sales to Taiwan, China and Korea.	34%	13%	10%	10%	10%
Globally competitive forest sector.	Percentage increase in forestland certified by major forest certification processes.	26% increase	10% increase	> 10% increase	> 10% increase	> 10% increase

Core Business Area: *Pricing and selling the timber.*

Objective 1: *Maintain access to markets for B.C. forest products.*

This objective reflects the ministry's intent to maintain and grow international markets and is accomplished by the following key strategies: continuing to pursue free access for British Columbia forest products to markets in the United States; and continuing work with Forestry Innovation Investment (FII) on market access issues. Achievement of this strategy is tracked by the Key Outcome Indicator "B.C.'s share of the U.S. softwood lumber market."

Objective 2: *Ensure that the public receives fair value for the use of its forest and range resources now and in the future.*

Asserting the financial interests of the Crown by pricing and billing for revenue from Crown forest and range resources. Key strategies include: administering the Coast market-based pricing system (MPS), which was implemented on February 29, 2004, and implementing the Interior market-based pricing system to generate appropriate revenues to the Crown.

Performance Measure:

Status of the implementation of the market-based pricing system: Implementation is influenced by the softwood lumber dispute and the impact on the demand and supply of timber from bark beetle infestation. The revised schedule projects implementation of an Interior market-based pricing system by the end of 2005/06.

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Status of the implementation of the MPS.	Coast implemented February 2004	Interior implementation (decision pending)	Implement and/or administer	Administer	Administer

Objective 3: *Provide opportunities to generate wealth from the forest resources.*

By allocating, managing and monitoring forest resource opportunities through forest tenures, the ministry is able to meet social, economic and other public forest policy objectives. Key strategies include: ensuring that timber apportioned in TSAs is available to licensees through tenure; and with much of the forest policy reform legislation in place, the primary focus for 2005/06 will be with its implementation.

Performance Measure:

Per cent of Timber Supply Area AAC under a form of tenure: This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures, such as Forest Licences and Community Forest Agreements, under these programs. Tree Farm Licences, woodlot licences, and tenures under the BC Timber Sales program are not included. Data is from the Apportionment System. The baseline for this measure was 97 per cent in 2002/03. The targets for this measure have been reduced in each of the next three years due to the AAC uplifts resulting from the bark beetle infestation, and the reallocation of 20 per cent of the logging rights from major licensees to create new opportunities for new entrepreneurs, small operators and the value-added sector. Additional resources have been targeted in 2005/06 to mitigate the reduction, although a positive impact on the targets is not anticipated until 2007/08 and following. (Data source: Apportionment System).

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of Timber Supply Area AAC under a form of tenure.	94.7%	90%	90%	90%	92%

Objective 4: ***Provide a reliable and environmentally sound forest road network for provincial forests while reducing the Ministry's Forest Service Road (FSR) network (excluding BCTS FSRs) through deactivation and transfers to industry and other agencies or organizations.***

The intent of this objective is to provide the necessary infrastructure to access timber, range, communities, recreation, and other resource values while minimizing environmental impacts. Key strategies include: developing legislation, policy and standards for all forest roads; carrying out maintenance activities on FSRs in conformance to legislation and policies; provide low order maintenance, to ensure access-related surface and structural maintenance as necessary for safe public access to priority recreational areas; rationalize the provincial road network (FSRs and pubic roads/highways) with MoT and other agencies; and deactivating FSRs no longer required (close and discontinue).

In 2005/06, increased funding is being targeted to the replacement of priority bridges that have deteriorated on non-industrial use Forest Service Roads that access communities, rural residences and priority recreational areas.

Performance Measures:

Per cent of key engineering activities substantially achieved (as per aggregate index): Pro-rated measure of overall performance in achieving key engineering activities consisting of FSR road and bridge inspection, maintenance and deactivation. (Data source: tracked internally, calculated from information collected by the Districts).

Per cent of kilometres of FSRs, where the District Manager is directly responsible for maintenance, that are open for public access: The purpose is to provide a measure of FSRs open for public access in accordance with the maintenance policy. Information is reported by each district.

Per cent reduction (-) or increase (+) to the FSR network: The measure reflects the strategy of the ministry in reducing its role in FSRs. The baseline for this measure is the total kilometres of FSRs excluding BCTS FSRs. (Information is reported by the Districts).

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of key engineering activities substantially achieved.	N/A	New measure introduced for 2005/06	90%	95%	95%
Per cent of kms of FSRs maintained by the District Manager open for public access.	N/A	New measure introduced for 2005/06	> 90%	> 95%	> 95%
Per cent reduction (-) or increase (+) to the FSR network.	N/A	< 1%	-2%	-3%	-4%

Objective 5: *Increase First Nation opportunities for participation in the forest sector, provide stability on the land base, and ensure forestry operations respect First Nation interests on the land base.*

This objective supports the ministry's intent to provide leadership, negotiation skills, advice and overall coordination with respect to forest-related First Nations' issues.

Key Strategies for 2005/06:

1. Consult with First Nations in accordance with the Crown's legal obligations.
2. Negotiate agreements with First Nations:
   - Implement the First Nations Forest Strategy (FNFS) offering access to economic forest benefits to First Nations through accommodation agreements.
   - Increase First Nations' participation in the Forest Sector through direct award tenures
3. Support for priority treaty tables.

Performance Measure:

Total number of accommodation agreements: Accommodation agreements provide a period of stability for forest and range resource development. They include the provision of economic benefits in the form of tenure and revenue sharing as well as consultative arrangements that define an agreed upon process between the ministry and a First Nation for consulting on and addressing aboriginal interests. Accommodation agreements begin with an offer to a First Nation to enter into an agreement, and the time required to conclude negotiations is variable. Offers to negotiate agreements will be made to all 176 eligible First Nations by the end of fiscal 2006/07. (Data source: tracked internally).

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Total number of accommodation agreements (cumulative):					
• offered to First Nations	71	101	142	159*	159
• signed with First Nations	22	45	75	100–159**	159

*NB. Some accommodation agreement offers include more than one First Nation in the offer. The number of eligible First Nations to be offered accommodation agreements is 176.

**NB. Although offers are made to all eligible First Nations, it is anticipated that not all offers will be accepted and agreements signed. A more accurate estimate of agreements expected to be signed by the end of 2006/07 cannot be determined at this time.

Core Business Area: *BC Timber Sales.*

BC Timber Sales is an arm's length program within the ministry, with operational and financial independence from regional and district operations. The program markets Crown timber to establish market price and capture the value of the asset for the public. The performance measures included in this section are only a subset of the measures tracked and reported by BC Timber Sales. For full information on BC Timber Sales resources and measures refer to the BC Timber Sales Business Plan at: http://www.for.gov.bc.ca/bcts.

Objective 6: *Provide a credible reference point for costs and pricing of timber harvested from public land in B.C.*

This objective supports market-based pricing to ensure that the public receives fair market value for the use of its forest resources. Key strategies include: implementing systems and processes to ensure that the program's cost and pricing data is complete, accurate, reliable, verifiable, and are contained; and negotiating operating areas and the purchase assets on lands re-assigned through the Timber Reallocation Process.

Performance Measure:

Per cent of total timber volume available, auctioned by BCTS: Per cent of the total provincial ministry annual timber volume available that was auctioned by BC Timber Sales during the year. This is a key outcome indicator of the program's success in supporting the market based pricing system and being a credible reference point for costs and pricing by auctioning an increasing proportion of Provincial timber. (Data source: internal tracking and the ministry's apportionment system).

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of total timber volume available auctioned by BCTS.	10%	12%	15%	17%	20%

Objective 7: *Optimize BCTS net revenue to the province, within the parameters dictated by our benchmarking mandate and sound forest management.*

This BCTS objective supports the generation of revenue to the Province and the ministry as a major contributor to B.C.'s current and future economic health. Key strategies include: containing costs and maximizing auction bids, within the parameters of the program's benchmarking mandate by implementing systems and processes to support effective decision-making and taking steps to reduce bidder risk; implementing FRPA; and increasing the volume of timber sold under certification.

Performance Measures:

Crown net revenue from BC Timber Sales: Net revenue is gross revenue net of capitalized expenses and period costs. This is a key outcome indicator of the success of BC Timber Sales in optimizing revenue to the Province. Net revenue is projected to decrease beginning in 2005/06 as labor costs initially capitalized into inventory as of 2002/03 begin to be realized through capitalized expenses starting in 2005/06. Prior to 2002/03, labor costs were expensed in the year they were incurred. (Data source: Harvest Billing System and the Corporate Accounting System (CAS) based on 2004 forecasts).

Average cost per cubic metre of volume developed by BCTS: This was a new measure in 2004/05 replacing the previous "Average cost per cubic metre of volume sold." The change from volume sold to volume developed is to reflect that the majority of costs are incurred during the development of a timber sale rather than later when the sale is sold. This is a measure of BC Timber Sales' performance in containing costs contributing towards optimizing net revenue and providing a credible reference point for costs and pricing of timber. (Data source: internal tracking and CAS).

Performance Measures	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Crown net revenue from BC Timber Sales ($ millions).	$101.07	$130.3	$120.6	$104.4	$113.7
Average cost per cubic metre of volume developed by BCTS.	N/A	$10.54/m³	$13.90/m³	$13.30/m³	$12.80/m³

Objective 8: *Provide opportunities for BCTS customers to purchase timber in an open and competitive market.*

This BCTS objective supports a strong forest economy and competitive forest sector. Key strategies include: pursuing innovative methods to build timber development capacity and inventory levels; eliminating restrictions and barriers to program participation over time; improving bidder information; and analyzing and addressing reasons for no bid sales.

Performance Measure:

Volume offered for sale by BCTS: The volume offered for sale is the gross total timber volume that BCTS offers into the market and includes all forms of tenure administered by BCTS. Therefore, in addition to advertised auction sales, volume offered for sale includes all volume associated with forestry licence to cut, and previously committed volumes for ongoing value-added sales, non-replaceable forest licences, and other forms of tenure. Unlike the measure "the per cent of total timber volume available, auctioned by BCTS" which provides statistical support for credible pricing, this output measure indicates the program's success in providing opportunities for customers to acquire timber. (Data Source: BC Timber Sales Offices).

Performance Measure	2003/04 Actual	2004/05 Estimated Actual	2005/06 Target	2006/07 Target	2007/08 Target
Volume offered for sale by BCTS (million m³).	11.2	12.8	14.8	16.2	16.5

Goal 3: *Effective and Responsive Forest Manager.*

The ministry is continuing to revitalize itself with a new vision and revised mission and values statements that reflect the ministry's role as steward of the province's forest resources. The effectiveness in achieving our core purpose of ensuring that sustainable forest

resources deliver sustainable forest benefits for the people of British Columbia is dependent upon highly trained and knowledgeable staff who will continue to be responsive and performance-focused. To this end the ministry is focusing on leadership development, being a learning organization and improving organizational wellness.

Additionally, under this goal the ministry oversees the effectiveness of third-party administrators who are responsible for the achievement of the Forest Investment Account (FIA) objectives and strategies.

The following key outcomes and indicators (described in the glossary) have been identified as measuring progress towards achievement of this goal. The base lines for these measures were established in 2002/03 as 60 per cent and 73 per cent respectively, and they are measured every two years.

Key Outcomes	Outcome Indicators	2003/04 Actual	2004/05 Estimated Actual	2005/06 Projected	2006/07 Projected	2007/08 Projected
Public trust in the BC Forest Service.	Per cent of British Columbians who agree that the Forest Service can be trusted to protect and manage our public forests	Measured every second year	52%	Measured every second year	> 60%	Measured every second year
	Per cent of British Columbians who feel the Forest Service effectively protects and manages our public forests	Measured every second year	69%	Measured every second year	> 73%	Measured every second year
Effective Administration of the FIA.	Third-party administrator performance targets achieved	N/A	95%	95%	95%	95%

Core Business Area: *Executive and Support Services.*

Objective 1: *Ensure a responsive and effective management framework and infrastructure that supports the achievement of ministry goals and objectives.*

This objective helps to ensure that the ministry becomes a more effective organization, which is strong, dynamic and adaptable, and focused on achieving its strategic goals. Key strategies include: continuing to identify, implement and continually improve business practices and processes to increase efficiency and effectiveness; continuing to implement and integrate performance management processes and evaluate the validity of performance

measures; implementing a risk management framework that will enhance strategic and operational planning; and continuing to implement and evaluate the ministry's Human Resource Strategy (succession planning, retention, leadership, organizational wellness).

Objective 2: *To be a high performing and learning organization.*

To continue building an innovative and even higher performing organization that focuses on both business and people performance strategies. Key strategies include: fully implement the Road Ahead initiative that focuses on the following six strategies: Mandate — vision, mission and values; Stewardship; Leadership Development; Learning Organization; Workforce Planning; and Organizational Wellness. For full details on the ministry's Human Resources Strategy, please refer to the Human Resources Plan overview at the end of the service plan.

Core Business Area: *Forest Investment.*

Objective 1: *Sound governance and effective and efficient delivery of forest investments to assist government to develop a globally recognized, sustainably managed forest industry.*

The intent of this objective is to address the overall administration of the Forest Investment sub-vote and agreements with Third-Party Administrators. Key strategies include: development and implementation of sound business practices incorporating strong financial controls, a performance management framework, and a monitoring, audit and evaluation program.

Performance Measure:

Per cent of FI performance measure targets substantially achieved: This is a new measure for the Forest Investment Account (FIA) in 2005/06. For each FIA program a number of measures have been established to track program administration performance. Please contact the Strategic Policy and Planning Branch for further information. The measure is a summary of the FIA's overall performance in the seven programs: Land Base Investment, Small Tenures, Tree Improvement, Crown Land Use Planning & Enhancement, Forest Science, Product Development and International Marketing. (Data source: tracked internally).

Performance Measure	2003/04 Actual	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
Per cent of FIA performance measure targets substantially achieved.	N/A	N/A	≥ 90%	≥ 90%	≥ 90%

Related Initiatives and Planning Processes

Deregulation and Regulatory Reform

The Ministry of Forests will continue to review its legislation to look for further regulation reduction and reform opportunities. The table below outlines the ministry's commitment to maintain its June 2004 baseline over the next three years.

Objective	Performance Measure	2003/04 Actual	2004/05 Target	2005/06 Target	2006/07 Target	2007/08 Target
0% increase to regulatory burden throughout 2005/06.	Number of regulatory requirements	8,551	Maintain regulatory requirements at June 2004 baseline of 8,568.	8,568 (0% increase)	8,568 (0% increase)	8,568 (0% increase)

Overview of Human Resource Plan

Ministry Human Resources Plan overview is available on the ministry website at: http://www.for.gov.bc.ca/mof/hrpoverview/.

Information Resource Management Plan

The ministry Information Resource Management Plan overview is available on the ministry website at: http://www.for.gov.bc.ca/mof/irmpoverview/.

Appendix

Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Defined Forest Area Management — Changing the volume-based forest management regime prevalent throughout much of the province, to defined forest areas, managed with key attributes of area-based tenures (e.g., Tree Farm Licences).

Discretionary Silviculture Activities — Silviculture activities that are not required by legislation. These may include backlog reforestation (areas harvested prior to 1987), reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and Range Assets — All the forest and range resources on Crown land, including the water, soil, biodiversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Forest Encroachment — Refers to the intrusion or establishment of a significant number of trees on grassland(s).

Forest Ingrowth — Refers to the process whereby previously open forest becomes more dense, and treed grasslands become more densely covered with young trees.

Forest Stand Management Fund — This account was originally established as a fund by the *Forest Stand Management Fund Act, 1986*, and was changed to a Special Account under the *Special Accounts Appropriation and Control Act* in 1988. Revenue is provided by contributions from municipalities, the forest industry, forest sector unions, and others through money collected in accordance with legislation; penalties levied in accordance

with legislation; and from stumpage levies. Expenses provide for enhanced management of British Columbia's forest and rangelands, for silviculture work and costs related to environmental remediation, for the costs of investigating contravention of legislation, for fire suppression costs related to contraventions of legislation where a penalty has been levied in respect of the contravention, and for reforestation and road deactivation in areas subject to stumpage levies. No financing transactions are provided for under this account.

Key Outcomes and Indicators — Key outcome indicators, represent key results related to an organization's goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities. Because they measure societal, land base or stakeholder results or changes in conditions or behaviours, the accountability for these key outcomes and indicators cannot be solely attributed to the Ministry of Forests.

- **Sustainable Forest Land Base** — This key outcome pertains to the area in provincial forest land which reflects provincial land use decisions. Changes to the indicator **"Area of provincial forestland"** (in millions of hectares) would be expected if the government removed Crown land from forest management for other uses (e.g., preservation, parks or agriculture, or Crown land sales) or converted land from other uses to forest management. For the purposes of this measure, provincial forest land is the Crown land in timber supply areas, woodlot licences and tree farm licences. Data is from the Ministry of Forests Allowable Annual Cut (AAC) database, as at January 1st each year. This measure was 47.8 million hectares at January 1, 2003 and reduced to 47.7 million hectares in 2004. The small reduction in the productive forest area reflects updated inventory information (e.g., what is defined as productive) and minor changes to land use and administration (primarily related to protected areas and treaties over the past five years).
- **Sustainable Timber Productivity** — The ministry uses measures of reforestation and losses from fire to represent sustainable timber productivity. These measures use data from the past five years. Reforestation, represented by the **"Ratio of area reforested to area harvested or lost to fire and pest"**, includes planting or natural regeneration and is net of plantation failures. Harvesting is by any method. Losses to fire and pest are unsalvageable. A ratio of 1.0 indicates that areas being reforested are in balance with those being harvested or lost to fire and pests. A ratio of less than 1.0 reflects a trend towards increased Not Sufficiently Restocked (NSR) with more area being harvested or lost to fire and pest than reforested.The 2002/03 baseline for this measure was 0.93. Losses from fire are represented by **"The total area lost to wildfire annually."** This is highly dependent on weather and where fires occur relative to resources and communities. The five-year rolling average in 2002/03 was 20,471 hectares. The exceptionally severe 2003 fire season, and the extreme drought of 2004 will impact the five-year rolling average of area lost for the next five years. Projections of losses have been increased to reflect 2004/05 conditions and the potential for drought to continue in 2005/06.
- **Healthy Forests** — Healthy forest ecosystems sustain the quality and quantity of soil, water and timber, and therefore, indicate sustainable forest resources. The indicator

"Per cent of annual harvest area with soil loss due to establishment of permanent access roads" is linked to national forest criteria and indicators of global forest sustainability. Although the indicator represents a key element of healthy ecosystems (soil sustainability), it is only meaningful at the ecosystem level, needs to be considered over time, and cannot be taken by itself as a sufficient indicator of sustainability. The ministry will present more comprehensive information in a "State of the Forests" report published periodically. Permanent access roads include any un-rehabilitated roads, excavated or bladed trails, landings, pits or quarries. Harvest area is by any method and includes areas with retained mature timber and naturally occurring non-productive areas within the cut block boundary.

- **Effective Forest and Range Protection and Management — "Per cent of forest and range operators' compliance with statutory requirements that regulate forest practices"** reflects management decisions and actions of forest and range operators which are key to the outcome of sustainable forest resources. Information is from the ministry's Compliance Information Management System. The rate of compliance has consistently been in excess of 90 per cent for the past eight years.
- **Revenue to the Crown** — This key outcome is supported by two indicators, **"Crown forest gross revenue** ($ billions)" and **"Crown gross revenue from BC Timber Sales** ($ millions)". Crown forest gross revenue is the total amount of money charged by the ministry during the fiscal year, which includes BC Timber Sales, Timber Tenures and other MoF revenues.
- **Diversification of B.C. Export Markets** — The provincial forest sector is highly dependent upon exports. The health and diversity of export markets are good indicators of the strength of the forest economy. **"B.C.'s share of the US softwood lumber market"** indicates the status of B.C.'s biggest export market. **"B.C.'s share of Japan softwood lumber imports"** tracks British Columbia's second largest softwood lumber customer. Import volumes are published annually by the Japan Wood Products Information and Research Centre. The base in 2002/03 was 43 per cent (calendar year). The **"Increase in wood product sales to Taiwan, China and Korea"** indicates expansion into new markets for B.C. wood products. These areas are targeted by Forestry Innovation Investment.
- **Globally Competitive Forest Sector** — This key outcome is measured by the **"Percentage increase in forestland certified by major forest certification processes."** Major forest certification processes are the Canadian Standards Association (CSA), Forest Stewardship Council (FSC) and the Sustainable Forest Initiative (SFI). The International Organization for Standardization (ISO) is excluded, because it does not pertain explicitly to forest management. The baseline for this measure is the 7.7 million hectares that were certified in 2001/02. In 2002/03, the number of hectares certified increased by 126 per cent to 17.4 million hectares.
- **Public trust in the B.C. Forest Service** — Public trust is measured in a telephone survey conducted by B.C. Stats every two years. The baseline for the trust indicator was 60 per cent in 2002/03. The new effectiveness indicator is based on five variables (forest fire protection, control of pests and disease, reforestation, environmental protection,

and regulating forest companies) that were combined for the single measure of overall effectiveness, which was measured as 73 per cent in the 2002/03 survey.

- **Effective Administration of the Forest Investment Account (FIA)** — This key outcome is measured by **"The achievement of performance targets by the third-party administrators."** The percentage is based on the number of performance targets developed by FI third party administrators PricewaterhouseCoopers, The Federation of BC Woodlot Associations, and Forestry Innovation Investment that are achieved within 85 per cent.

Non-Industrial Use Forest Service Road Maintenance Standards — Include user safety maintenance activities such as road surface maintenance and sight line brushing as well those activities required for the protection of the environment. User safety maintenance activities will be commensurate with the types of vehicles and pattern of use.

Provincial Forest Land-base — Crown land designated by the *Forest Act* (section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the Crown land area in TFL's, Woodlot Licences, and TSA's (excluding vacant Crown land).

Provincial Forest Resources — Means the resource elements of water, soil, air, and biodiversity (genetic, species and ecosystem) and the resource values associated with provincial forests including, without limitation, timber, forage, wildlife, fish, botanical forest products, cultural heritage resources, visual quality, resource features, and recreation resources.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSA's in British Columbia.